

## AER's perspective on the public consultation on the EU's New Consumer Agenda - 06.10.2020

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**Commercial radio is funded almost entirely by advertising, enabling it to remain free-to-air and free-to-access to millions of listeners. It relies on its advertising business model to be present on every platform, including online, enabling it to create content and innovate.**

**Unnecessary restrictions on advertising should be avoided, as studies show long terms and conditions in radio and audio do not benefit consumers and fail to provide protection. Advertising limitations offline and online also severely impact radio's opportunities to remain a valuable European content provider by cutting off revenue.**

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*The Association of European Radios (AER) is the Europe-wide trade body for commercial radio, representing the interests of companies operating over 5,000 commercial radio stations to the EU Institutions. AER promotes the development of commercially funded radio broadcasting in Europe, by ensuring a fair and sustainable economic framework for radio so it can continue to thrive.*

*More information at: [www.aereurope.org](http://www.aereurope.org).*

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We welcome the opportunity to give input to the consultation on the new Consumer Agenda, and in particular on the Review of the Consumer Credit Directive (CCD).

We, at AER, consider consumer protection our primary objective. Our commercial radio industry, source of free-to-air, reliable and trustworthy information at all times, especially of crisis, stands ready to ensure consumers are well informed and well protected in a workable manner for our advertising-funded industry.

Commercial radio is funded almost entirely by advertising, hence our only focus in AER is this precise stage of the consumer journey: advertising and the standard information requirements set in Article 4 of the CCD.

**We believe article 4 of the CCD should be amended to remove or significantly reduce the standard information requirements in radio advertising in the interests of consumers' understanding and protection.**

Evidence shows that **the complexity and length of information provided in radio advertising ultimately does not properly inform consumers**, as listeners tend to tune out and not retain complex figures<sup>1</sup>.

Consumers would rather benefit from **clear, shorter and simpler messages signposting to a website and/or point of sale** where they can find more details and make comparisons, enabling them to make a sensible and better-informed decision.

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<sup>1</sup> Research demonstrate that less than 4% of listeners in the UK and in France recall the total amount payable after listening to an ad with a representative example. In particular, a majority of listeners (60% in the UK and 88% in France) believe that financial terms and conditions are there to protect the advertiser or the brand, rather than the consumer. Please see "[Protecting Consumers Why long and complex terms and conditions on radio don't work](#)" and "[Financial terms and conditions and consumer protection](#)", studies published by Radiocentre, respectively in March 2019 and January 2016, and "[Perception des mentions légales à la radio](#)", study conducted by IFOP France from les Indès Radios and le SIRTl, 26 October 2016.

**Simplification** in advertising, especially on radio advertising, and **reduction of unnecessary burden** would help **provide consumers with the right information at the right time, and a higher level of protection**. We fully agree with the Commission that is the way forward as acknowledged in the inception impact assessment.

**Advertising on radio, due to its nature of audio-only medium, is not the appropriate place to add on detailed and complex information**, as it does not and cannot provide all information necessary to make a well-informed final purchase decision. **This has been taken into account by the EU legislators in other pieces of legislation** including the [Unfair Commercial Practices Directive](#), the [energy labelling regulation](#) and the [tyre labelling regulation](#).

**Furthermore, the findings of the application of Article 4 of the CCD cannot be restricted to the question of consumer credit only.**

We believe it is important to ensure clarity and simplicity of information whether it is on credit agreements, energy-efficient services or any other sustainable products.

**Any additional information requirements imposed on radio advertising would have the same detrimental effects** on the industry, and this without providing information consumers can recall, nor an adequate level of protection.

**We, at AER, welcome the interest shown by the European Commission for a new consumer agenda, including the Consumer Credit Directive, and trust its Proposals will take commercial radios' plea for clarity, simplification and reduction of unnecessary burden in radio advertising into account.**

We look forward to answering any further queries and provide access to commercial radio industry's research.